

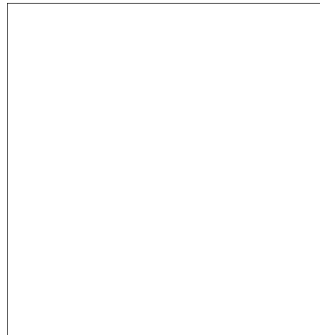
S E C R E T

10 November 1986

## MEMORANDUM FOR THE RECORD

SUBJECT: Policy Group Meeting  
7 November 1986

## Attendees:



Chairman (Office of Personnel)  
[Redacted] (Office of Personnel)  
[Redacted] (Office of Personnel)  
[Redacted] (Office of Information Technology)  
[Redacted] (Office of the Comptroller)  
[Redacted] (Office of Finance)  
[Redacted] (Office of General Counsel)  
[Redacted] (Office of General Counsel)  
[Redacted] (Office of the SSA/DDA)

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1. [Redacted] began by reporting on OP's educational program on FERS. The series of briefings at Headquarters and outlying buildings has been completed. A videotape version of the briefing has been produced and should be available by the end of this month. Booklets on FERS are being distributed to employees who are automatically covered under that retirement system and to Civil Service Retirement System (CSRS) employees who have the option to transfer to FERS. In addition, a special booklet is being developed for CIARDS employees. The software package to project and compare retirement benefits under the various systems should be available for use on IBM PCs in a few weeks. We plan to have it on the mainframe for access via Delta Data terminals around the end of the year. OP will also be issuing written material on transfer considerations around the end of the year. [Redacted]

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2. [Redacted] reported on the status of the replication of PAYCIARDS. Tax reform provisions caused a delay in the delivery of the replicated version, CSPAY, to OF. However, CSPAY will be delivered to OF by 12 November for acceptance and testing. [Redacted] also reported that OIT and OF are jointly working on retirement codings for implementation by January. When questioned about whether OIT would be ready by 1 January with these systems, [Redacted] indicated that it would be very tight, but OIT would meet the deadline. When asked about the Agency's readiness to accept an automated retirement system if a suitable vendor were identified, [Redacted] estimated that it would take a year to have the system running. [Redacted]

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3. [Redacted] reported on the status of the systems evaluation project. Letters were mailed to selected vendors on 30 October. The target date for completing the requirements summary, which will be sent to the vendors as a

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follow-up to the letters, is 21 November. [ ] indicated that Ann Paterra of Price Waterhouse was available to the Working Group to provide guidance and assistance in preparing requirements and evaluating commercial software. He stated that OP, OF, and OIT would jointly evaluate the software proposed and determine which vendor, if any, had a system that could be adapted to the Agency environment. OIT would have overall responsibility for managing the automation effort once a vendor has been selected. [ ]

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4. [ ] discussed OGC's opinion on the retirement coverage of our third-country nationals (TCNs), many of whom are employed by FBIS. TCNs who are permanent resident aliens (PRAs) are eligible for Social Security and therefore are covered under FERS. TCNs who are not PRAs are not eligible for Social Security, and are therefore excluded from FERS. These individuals, who number approximately [ ], represent the majority of the Agency's TCNs. An interim solution to handling their situation is to place them under CSRS until separate retirement coverage is legislated. [ ] would like to meet with [ ] and OPM to further discuss this issue.

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5. [ ] mentioned that OP, OF, and FBIS met on 6 November to discuss how the Agency will handle the retirement processing, payment, thrift elections, and record keeping for TCNs. The TCNs present a unique situation in that they are paid by the State Department through regional finance centers. The Agency reimburses State for the funds expended to our TCNs. It appears that new administrative procedures could be established between the Agency and State to handle internal retirement administration of our TCNs. The Working Group and FBIS will meet with State to discuss the issue and initiate the development of new procedures. [ ]

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6. [ ] advised the Policy Group that the Agency will receive a supplemental for the funds needed for in-house administration in 1987. Approximately \$15 million will be needed in 1987, and \$40-50 million in subsequent years. Approximately \$2 million in contract money for 1987 has been covered. All money will initially be given to OP, which will in turn allocate it to Agency components. There will probably be 15 new positions to cover OP, OF, and OIT in 1987 and 1988, with the number being drawn back to 13 for 1989 and beyond. [ ] indicated that no money would be available in 1987 for personnel needs, but each office would be allowed to go over ceiling to get needed personnel. [ ]

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7. [ ] also reported that OMB contacted the Agency to ensure that we are on the right track with regard to carrying out thrift deductions. [ ] will try to identify some potential contacts for the Agency at OMB or the Thrift Board. [ ]

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8. [ ] advised the attendees of the outcome of two policy issues that were brought before the CIARDS Retirement Board. First, CIARDS and FERS Special Category participants who leave the Agency will be automatically redesignated into the respective retirement system upon reemployment. Secondly, the Board will administer designations into the FERS Special Category, as it does now for CIARDS. [ ]

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25X1 9. [ ] also reported on a meeting between Retirement Division (RD) representatives and Mr. Jerome Julius of OPM to discuss the transfer of records to the Agency. Records exist at OPM on our employees who have prior Federal service. The Agency plans to annually retrieve the records of those employees who will become eligible to retire the following year. We now need approximately [ ] files that are being held at OPM. Mr. Julius agreed to an arrangement whereby Agency representatives would excise the paper files from the OPM record center in Boyers, Pennsylvania. Mr. Julius, however, would delete the names in OPM's automated data base and would certify that no record of the employees' Agency affiliation remained. RD plans to send representatives to Boyers to accomplish the first retrieval during the week of 17 November or 1 December. [ ]

25X1 10. [ ] reported on a meeting between OF and Mr. John Webster of OPM to discuss arrangements for the funding of annuity disbursements. OPM would prefer a disbursement/reimbursement procedure whereby the Agency would make the annuity payments and then request repayment from OPM. The Agency would present OPM with a summary statement by type of annuity for funds that were disbursed. [ ] expressed concern about the slow turnaround time for reimbursement of the Agency. He indicated that he would try to work out some arrangement with Treasury Department to effect a more rapid reimbursement because of the large sums of money that would be involved. [ ]

25X1 25X1 11. [ ] also mentioned that Federal annuity payments are made from Chicago and carry a number which indicates that location. [ ] emphasized that we should search for ways to make our payments, [ ] look like those issued from Chicago. [ ]

25X1 12. [ ] described a recent meeting between Agency representatives and Congressional Intelligence Committee staffers. The meeting was designed to acquaint the staffers with our progress on FERS and to discuss our draft regulations. The response to the Agency's efforts was very positive, and no specific guidance was offered on our regulations. Mr. O'Neill asked the CIA to assist NSA and DIA in preparing to administer the special overseas accrual rate for their personnel. We will meet with NSA and DIA in the next few weeks to discuss this matter. [ ]

25X1 13. [ ] recapped OP's recent meeting with Mr. Frank Titus of OPM to discuss the Agency's regulations. OPM agreed to share their draft regulations with us and also to review our regulations to ensure that they were compatible. [ ]

14. The last item on the agenda was the presentation of two policy issues for resolution. The first issue revolved around whether the Agency should process all refunds of retirement contributions, or whether we should continue to have OPM process at least some of them. The Policy Group's decision was to have the Agency process all refunds. The second issue was whether or not all employees who transfer in from another agency should resign from the other

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agency, and then have their benefits reinstated here [REDACTED]

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[REDACTED]. The Policy Group's decision was to have all employees who transfer in resign from their former agency and then to redeposit their retirement contributions if they had received a refund when leaving their former agency. The Group left undecided how to handle thrift refunds of employees transferring from other agencies. We will revisit the issue after we have some discussions with the Thrift Board.

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